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FM AMEMBASSY HANOI
TO RUEHC/SECSTATE WASHDC 6734
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEHHM/AMCONSUL HO CHI MINH 3959
RUCNASE/ASEAN MEMBER COLLECTIVE

UNCLAS SECTION 01 OF 02 HANOI 001957

SIPDIS

STATE FOR EAP/MLS
STATE PASS USTR FOR DBISBEE
USDOC FOR 4430/MAC/ASIA/OPB/VLC/HPPHO AND IMPORT ADMINISTRATION SSU

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [KTEX](#) [ECON](#) [EIND](#) [ETRD](#) [ETTC](#) [VM](#)
SUBJECT: MOIT EXPRESSES CONTINUED CONCERNS OVER APPAREL MONITORING
MECHANISM

REF: (A) HCMC 1144; (B) HCMC 1109; (C) HANOI 1731; (D) HANOI 1654

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11. (U) The Ministry of Industry and Trade (MOIT) sent Post an October 31 Diplomatic Note addressed to the U.S. Department of Commerce, urging the United States not to self-initiate an antidumping investigation against Vietnam and to revoke its Textile and Apparel Import Monitoring Program. Full text of the Diplomatic Note follows in paragraph 2. Vietnamese Minister of Industry and Trade Vu Huy Hoang conveyed a similar message orally to U.S. Secretary of Commerce Carlos Gutierrez during their November 7

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meeting (Reftel A), when he asked the Secretary personally to help abolish the program, or, at a minimum, to reduce the number of line items subject to monitoring.

12. (U) FULL TEXT OF DIPLOMATIC NOTE AS DELIVERED (Unofficial Translation):

Department of Commerce
The United States of America

No. /07

The Ministry of Industry and Trade of the Socialist Republic of Vietnam presents its compliments to the United States Department of Commerce and has the honor to present the Department issues concerning the monitoring program of apparel imports from Vietnam.

First of all, the Ministry of Industry and Trade would highly appreciate the Department of Commerce's decision not to self-initiate an antidumping investigation against Vietnam apparel imported into the United States after the first data review. We see this is a fair and objective decision reflecting the reality.

However, maintaining such a program contrary to the WTO's regulations and failing to clarify the criteria for a self-initiating investigation will continue to create an uncertain market causing many difficulties in business planning for both U.S. importers and Vietnam manufacturers; injuring the normal trade relations between our two countries in general and in textiles in particular.

The Ministry of Industry and Trade of Vietnam once again would like to remind the Department of our objection to the program and would urge the Department to revoke the program of apparel imports from Vietnam or at least immediately stop monitoring product groups that

the United States is not manufacturing or having a limited production capacity, product groups that have no imports from Vietnam, and product groups of which the unit prices are rising or have price reductions equivalently to those of imports from other countries into the United States over the past time.

The Ministry of Industry and Trade wishes to receive early acceptance of the Department of our proposals in order to encourage the development of trade in textiles between our two countries in accordance with the aspiration of both United States and Vietnamese businesses.

The Ministry of Industry and Trade of the Socialist Republic of Vietnam avails itself of the opportunity to renew to the Department of Commerce of the United States the assurances of its highest consideration.

The Ministry of Industry and Trade
The Socialist Republic of Vietnam
Hanoi, October 31, 2007.

CC: United States Trade Representative
The Embassy of the United States of America in Hanoi
The Embassy of the Socialist Republic of Vietnam in the
United States

13. (U) No signed original to follow.

14. (SBU) Comment: It appears that MOIT drafted this note prior to receiving official word that the U.S. Department of Commerce found insufficient evidence in the first six months of data from the monitoring program to initiate a case. Although the Government of Vietnam and industry representatives expressed relief over Commerce's October 26 announcement (Reftel B), they continue to press for abolishment or, at a minimum, a reduction in scope of the program. Amidst claims that the program is affecting negatively Vietnamese exports, the Vietnam Textile and Apparel Association is reporting that Vietnam is on track to export USD 4.3 billion in garments and textiles to the United States this year - an increase

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of 26.5 percent over 2006. End comment.

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